



MANAGER
M. ANDERSON

INGLEWOOD SAVINGS & CREDIT UNION LIMITED

1328 - 9th AVENUE S.E.
CALGARY ALBERTA T2G 0T3

NOT FOR PROFIT - NOT FOR CHARITY - BUT FOR SERVICE



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September 6, 2017

Dear Member:

Now that the Town Hall has been successfully completed the Board of Directors of Inglewood Savings and Credit Union Limited are inviting you to a Special General Meeting of Inglewood members.

Date: **September 26, 2017.**

Time: Registration and light luncheon 6:30 to 7:30, Servus representatives will also be available during this time to answer any questions you may have. **Special General Meeting starts promptly at 7:30PM**

Location: Slovenian Canadian Club of Calgary at **2335 – 16A Street SE, Calgary.**

The purpose of the meeting will be to vote on the following Special Resolution presented by your Board (for the purposes of this Resolution "Corporation" means Inglewood Savings and Credit Union Limited):

Be it resolved that:

- 1. Having been presented with the Amalgamation Agreement for the amalgamation of the Corporation and Servus Credit Union Ltd., and upon hearing the recommendation of the Board of Directors of the Corporation that it is in the best interest of the Corporation to enter into the Amalgamation Agreement, the members approve the Amalgamation Agreement.*
- 2. The directors and the solicitors of the Corporation are authorized to take all steps necessary to complete the Amalgamation on the terms set out in the Amalgamation Agreement.*

The resolution will require approval of a two thirds majority of votes cast by eligible Inglewood members in attendance at this Special General Meeting. The provincial regulator must also approve the merger.

Please refer to the Amalgamation Agreement and Business Case for Amalgamation available on our website at www.inglewoodcu.com, at our branch or by calling 403-265-5396. These documents include more detailed data regarding this amalgamation including the mutual benefits, due diligence review, financial projections, post-merger operations, timeline and implementation. The Business Case outlines the reasons for our recommendation to amalgamate, summarized as follows:

1. Technology - Inglewood's current computer banking system is at its maximum functionality and is not capable of implementing new products or services. The cost of transition to a new system would be significant.
2. Profitability - Inglewood will find it increasingly difficult to remain profitable for a number of reasons.
3. Regulatory Burden - New regulatory requirements are having a negative impact on Inglewood and are expected to continue increasing.
4. Deposit and Loan Concentration - Inglewood's loans and deposits are very concentrated among a minority of older members and assets are not growing among younger members.
5. Succession Planning - A shortage of qualified individuals places Inglewood at risk should it lose its current manager who is our key source of regulatory, lending, accounting and the policy knowledge necessary to operate our credit union.
6. Equity - Inglewood's profitability is hampered by several factors and as a result we are severely restricted in our ability to raise equity in order to meet requirements.

As part of the Amalgamation Agreement, Inglewood members will receive a special distribution of approximately \$430,000 in the form of additional common shares from retained earnings. All Inglewood members will become members of Servus Credit Union Ltd., common shares will be transferred one for one and the current Servus Credit Union bylaws will be adopted. If approved by the Inglewood members this amalgamation will take effect on March 1, 2018 with the existing Servus Credit Union board members remaining. Staff will convert investment and credit products into a comparable product that will mirror the setup, rates, maturity dates and interest payments where possible. Upon expiry, the products will either be closed, or renewed into the closest like-product in the Servus portfolio.

The intention is that all products at conversion will not disadvantage the member when they are transferred into the new Servus product. Should an individual product be more expensive than the current one, the member will be contacted and the process to select the product that most suits their needs will be detailed to them. This communication process will provide at least 60 days' notice for the discontinuance of any products.

As we wrote to you previously, we are all deeply attached to our credit union and proud of its history. After much serious consideration, analysis and debate your Board decided the best option to meet the needs of members and our community is to take our recommendation for an amalgamation to you for a vote.

Unfortunately our By-laws do not allow for anyone that cannot vote to attend this meeting – NO GUESTS. This would include children that are not members and only one member per joint account will be able to attend as there is only one vote allowed per account number. Members under 18 can attend and vote for all items except the above resolution. I know these rules seem restrictive but our bylaws are quite old and did not take this type of meeting into proper consideration. If you need clarification on the attendance requirements please call and we will be happy to talk with you. We apologize for any disappointment this may cause.

We hope you attend this important meeting on the future of our credit union and we look forward to seeing you there. **Please RSVP** to 403-265-5396 or admin@inglewoodcu.com and do not hesitate to contact us for directions to the venue. Please help us to preserve the legacy of Inglewood Credit Union.

Sincerely, the Board of Directors, Inglewood Savings and Credit Union Limited

Merger Benefits for Inglewood Members

- Commitment to keep the current Inglewood Branch open with the existing staff. Melanie, Joanne, Raena, Anna-Maria and Robin are eager to be able to offer you even better service that will include all the additional electronic services you want, something they have not been able to do in the past.
- Alberta-wide service delivery – a province-wide network of 102 locations in 59 communities, plus over 100 full service ATMs and seven day a week call centres. Financial ability to invest in new products and services, branches, technology, security, regulatory compliance, etc.
- Competitive suite of banking products and services – retail, commercial, agricultural, wealth management and insurance products and services. Growing platform of digital banking options such as e-Transfer, Apple Pay and remote deposit.
- Continued strong financial performance and strong capital position. Members share in the credit union's success – since 2009 Servus has returned \$369 million to members as Profit Share, including \$48.1 million last year. Strong community partner, shared cooperative values and organizational culture. \$2 million provided to projects and charities in 2016. A portion of these funds will be allocated directly to the community of Inglewood.